TRANSCRIPT OF PROCEEDINGS

CC 96-98

FEDERAL COMMUNICATIONS COMMISSION

In Re:)
)
COMMON CARRIER BUREAU   )
OPERATIONS SUPPORT   )
SYSTEMS FORUM   )

Volume: 2

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Place: Washington, D.C.

Date: May 29, 1997

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In Re:)
)
COMMON CARRIER BUREAU   )
OPERATIONS SUPPORT   )
SYSTEMS FORUM   )

                        Room 856
                        FCC Building
                        1919 M Street, N.W.
                        Washington, D.C.

                        Thursday,
                        May 29, 1997

        The parties met, pursuant to the notice, at

9:02 a.m.

        BEFORE: RICHARD WELCH
                 Common Carrier Bureau
                 Federal Communications Commission

        APPEARANCES:

        On behalf of the FCC:

        RICHARD WELCH
        KALPAK GUDE

        Panel I:

        STUART KUPINSKY
        Department of Justice

        CHARLOTTE TERKEURST
        Illinois Commerce Commission

        JOHN LENAHAN
        Assistant General Counsel, Ameritech

APPEARANCES: (CONT'D)

Panel I (Cont):

ELIZABETH HAM
Executive Director, Interconnection & Resale
Technical Implementation
Southwestern Bell Telephone Company

WAYNE FONTEIX
Local Markets Director, AT&T

PATRICK SOCCI
Vice-President MIS, Teleport Communications Group

VENKATES SWAMINATHAN
Director of Marketing, Telesphere Solutions

Panel II:

BETH LAWSON
Area Manager, Finance Operations
Southwestern Bell Telephone Company

MARY BERUBE
Senior Product Manager, Network Marketing & Sales
SNET

ROBERT V. FALCONE
District Manager, New Market Development, AT&T

DENNIS PERKINS
Vice-President Corporate Controller, Brooks Fiber

Panel III:

GLORIA CALHOUN ·
Director, BellSouth

DAVID SWAN
Vice-President Carrier Services, Bell Atlantic

BOB WELBORN
Director, Operations Planning, Sprint

ROD COX
Manager of Market Expansion/Operations,
Consolidated Communications, Inc.

APPEARANCES: (CONT'D)

LARRY BLAINE, Staff Economist, Nevada PSC

DIANE MOORE, MCI

TRACY STROMBOTNY, LCI

NANCY DALTON, AT&T

JAY BRADBURY, AT&T

HANK CLUBFELD, SAIC

I N D E X

Hearing Began: 9:02 a.m.   Hearing Ended: 1:00 p.m.

                    P R O C E E D I N G S

1

2   MR. WELCH: Good morning. Welcome to day two of

3   the FCC's forum on operational support systems and the role

4   in developing local competition.

5   I am Richard Welch from the Common Carrier Bureau.

6   I have a few brief announcements before we get started.

7   First of all, and this may be the most important

8   thing we say all day. If there is an individual named James

9   Maple and you have lost a credit card, you should check with

10 the desk down on the first floor. They are holding that

11 down there for you. Before ten people go running down there

12 to try to claim that, you might have to identify yourself.

13   I want to reiterate something that I said

14 yesterday about the ex parte rules and the relationship to

15 this proceeding. We are exploring these issues in the

16 context of the docket on local competition, Docket 96-98,

17 and a video of this proceeding will be put in the record of

18 that docket.

19   Again, I want to remind everybody about the

20 relationship to Section 271 applications. We do have a

21 couple of pending applications before us that raise some of

22 these issues, but the point of this forum is not to address

23 the merits of those pending applications, and I would ask

24 everybody's cooperation in that regard.

25   I would also like to recognize a few people from

1   my staff who worked very, very hard to put this on today.

2   These are all folks in the Policy Division in Common

3   Carrier, and a lot of work went into trying to organize this

4   forum and arranging the panels and inviting all the

5   panelists and everything.

6   I would like to thank from my staff Jake Jennings,

7   Robb Tanner, Rochelle Cohen from the front office, Anthony

8   Butler, Don Stockdale, Vaikunth Gupta and Lisa Gelb, and I

9   would particularly like to acknowledge Kalpak Gude, who has

10   done a yeoman's work in organizing this forum.

11   (Applause.)

12   MR. WELCH: We will proceed today along the same

13   lines that we did yesterday. We have three panels set up.

14   I think we had a good session yesterday. We had some

15   interesting discussions, and I think we learned a few

16   things.

17   For example, we learned that the Baltimore Orioles

18   are in fact eight games ahead of the New York Yankees, and I

19   will update that for you this morning. Both teams won last

20   night, so that lead continues to be eight full games.

21   We also learned that baseball sometimes can be a

22   useful metaphor in this area, and so the next time that any

23   of you go to a baseball game and you see an infielder boot a

24   ground ball and get charged with an error, you can turn to

25   the guy sitting next to you and say, "Doesn't that just

1   remind you about competition in the local loop and

2   operational support systems?" He'll probably look at you

3   with a funny look on his face and take a sip from his beer

4   and then get up and move to a different seat.

5   Without any further ado, we will get into the

6   panelists today. We have three of them. We will start with

7   a panel on ordering and provisioning, which will run from

8   9:00 until 10:30 a.m., take a quick break, come back at

9   10:45 a.m. with a panel on billing issues, take another 15

10   minute break and come back at 12:00 p.m., from 12:00 to

11   1:00 p.m., with a panel on repair and maintenance.

12   The focus on these three panels is to get into a

13   little bit more detail on some of these individual issues

14   involving operational support systems.

15   If I could invite the panelists from the first

16   panel to come on up here? I will run over, and we will get

17   started.

18   (Pause.)

19   MR. WELCH: Good morning. Actually, I have not

20   had a chance to meet everybody on the panel, but welcome and

21   thank you for coming. I hope we have everybody in order as

22   I read through the names here. If I mess this up, please

23   raise your hand, and we will correct it.

24   Starting over on the far right we have a familiar

25   face to some of us at the FCC, Stuart Kupinsky, who is with

1 the Department of Justice and whose title is trial attorney.

2 I do not think that does him justice, but welcome, Stuart.

3   Next to Stuart's right is Charlotte TerKeurst from

4 the Illinois Commerce Commission. Charlotte is manager of

5 the telecommunications division at the ICC.

6   Sitting next to Charlotte is John Lenahan from

7 Ameritech who was on a panel yesterday. John is assistant

8 general counsel at Ameritech.

9   Sitting next to John is Elizabeth Ham. Welcome.

10 Elizabeth is with Southwestern Bell where she is the

11 executive director of interconnection and resale technical

12 implementation.

13   That is a mouthful. How do you get that on a

14 business card?

15   MS. HAM: You do not want to.

16   MR. WELCH: Sitting next to Elizabeth is Wayne

17 Fonteix from AT&T. Wayne is director of local markets.

18   Sitting next to Wayne is Pat Socci from TCG. Pat

19 is vice-president in charge of MIS.

20   Sitting next to Pat, and please forgive me because

21 I hope I get this right, is Venkates Swaminathan. Is that

22 close?

23   MR. SWAMINATHAN: Yes, very close.

24   MR. WELCH: Thank you. He is with Telesphere

25 Solutions, Inc., a vendor, and he is director of marketing.

1   We welcome him to the panel today.

2   We will proceed like we did with the other panels.

3   The panelists will make a brief opening statement. We ask

4   everybody to please try to hold it to around three minutes.

5   After everyone is through with their statements, we will ask

6   some questions from the Bureau, and then hopefully we will

7   have a little bit of time for some questions from the

8   audience.

9   Why do we not start at the far right with Stuart

10 Kupinsky from the Department of Justice? Stuart?

11   PANEL I

12   MR. KUPINSKY: Thanks, Richard.

13   On behalf of the Department, I want to again

14 express our appreciation to the FCC for organizing this

15 timely and informative forum. On my own behalf, I need to

16 point out that my comments are my own and do not necessarily

17 reflect those of the Department or the Commission.

18   The Commission defined access to OSS functions as

19 both an unbundled element and the terms or conditions or

20 part of the terms or conditions of offering other element

21 services.

22   In discussing these incredibly complex systems and

23 the intricate legal issues surrounding them, I find it

24 helpful to remember that dual definition and to keep in mind

25 the rather straightforward goal of Section 251 of the Act

1   and the Commission's rules. The goal was obviously not to

2   provide access to a series of large computer systems and

3   databases in the depths of an incumbent network, but rather

4   the goal was to spur competition by providing, among other

5   things, resale services and unbundled elements.

6   The Commission determined, though, that making

7   these complex operation support system functions available

8   was a key ingredient in facilitating this over arching goal

9   of competition.

10   Specifically regarding ordering and provisioning

11   functions of OSS, at the current embryonic stage of

12   competition these functions are critical to new entrants who

13   are just now signing up their first customers and are

14   depending on these functions to do so. Thus, a customer's

15   first impression of a new entrant will likely depend on the

16   performance of these functions by an incumbent competitor.

17   For both practical and legal reasons, I also think

18   it is helpful to separate out the discussion of the ordering

19   interfaces between carriers from the OSS functions performed

20   by an incumbent when they receive an order via the

21   interface. The interface itself can be thought of as simply

22   a delivery system, making a part of the means for providing

23   access to OSS functions, but, more generally, part of the

24   mechanism for providing resale services and unbundled

25   elements.

1   Thus, even if the Commission had never identified

2   access to OSS functions as a requirement under Section 251,

3   I would suggest that some such automation and some such

4   interface would have been a practical requirement of

5   providing resale services and unbundled elements.

6   Once an order is received over an interface, it

7   may initiate a series of incumbent OSS functions. The

8   extent to which this interaction between the interface and

9   the OSS functions is automated has a significant effect on

10 the quality of OSS access and the efficiency of service and

11 element provisioning.

12   As a result, I think our discussion today needs to

13 address both the interfaces themselves and the interaction

14 of these interfaces with the OSS functions. It is this

15 combined perspective that encompasses the Commission's rules

16 regarding access to OSS functions. If either piece of this

17 puzzle is missing, a CLEC may not receive the

18 nondiscriminatory access to OSS functions or the meaningful

19 opportunity to compete using resale services and unbundled

20 elements that the Commission's rules require.

21   This is not to say that all order and provisioning

22 functions need to or should be automated. Where the

23 incumbent automates processing steps in its own retail

24 operations, analogous functions provided to CLECs should be

25 similarly automated. Where the lack of automation in either

1   piece of this puzzle precludes a meaningful opportunity to

2   compete, however, the Commission's rules would suggest that

3   automation is necessary.

4   Finally, as an additional guide, standard setting

5   bodies such as ATIS can serve as a vital common denominator

6   of automation in this regard. Thus, rather than getting

7   carried away either figuratively or literally with regard to

8   providing access to OSS functions as a separate network

9   element or goal, and in particular the ordering and

10 provisioning, these particular functions are perhaps best

11 viewed as creating the critical terms or conditions of

12 providing resale services and unbundled elements under

13 Section 251.

14   Thank you.

15   MR. WELCH: Thanks, Stuart.

16   Next we will hear from Charlotte TerKeurst from

17 the Illinois Commission. Charlotte?

18   MS. TERKEURST: Good morning. It is good to be

19 here.

20   I was thinking about Richard's baseball analogy.

21 If I go very far, I will probably show my ignorance of the

22 game, but there are some analogies, and I would like to

23 point out that we have seen one game, the opening game of

24 the season.

25   The incumbents have so far fairly soundly trounced

1   the new entrants that are trying to get in, and we are

2   trying to figure out whether it is because the new entrants

3   really are not very good at what they are doing or whether

4   the incumbents are throwing spitballs.

5   MR. WELCH: There are 162 games in the major

6   league season, if that helps your analogy.

7   MS. TERKEURST: Yes. I think we need a little

8   more experience. That is kind of summing it up in a

9   nutshell what the Illinois staff has found.

10   Like Stuart, obviously I have to have a very big

11   caveat that what I say here is strictly my views. This

12   issue is pending before the Illinois Commission as well, and

13   I certainly do not speak for the Commission.

14   We also cannot determine how it is going to come

15   out by reviewing their play books, you know, and trusting

16   them that they will play fair and square in the future. We

17   are taking the position that we need some more experience.

18   We need to see how things are actually operating. We

19   certainly cannot figure out how they are going to play

20   baseball based on how they have played soccer.

21   We found in several realms of hearings in Illinois

22   that significant progress is being made. I will say that.

23   I think good progress is being made. I think Ameritech is

24   operating in fairly good faith in trying to get these

25   systems up and running, but our basic conclusion is we still

1   need to see a little bit more progress before we are

2   comfortable with how things are going.

3   With that in mind, I guess what I can do in the

4   short time that I have is point out some of the items that

5   we are looking at, some of the things that we think need to

6   be examined in deciding whether these systems are working

7   reasonably well.

8   There was a good deal of discussion yesterday

9   describing the electronic interfaces that the various

10   carriers have. Ameritech does use an electronic interface

11   EDI for ordering resale services. They use what is called

12   ASR for ordering unbundled network elements, and that

13   necessarily requires manual intervention on every order.

14   I know plans are being made to move that to a more

15   automated system, but in the meantime that does raise

16   concerns about their ability to process large numbers of

17   orders if they were to develop in the marketplace.

18   The EDI function for resale includes order

19   confirmation, order jeopardy, order status and order

20   completion. Resellers are currently using the EDI order

21   confirmation and order completion functions, but the order

22   jeopardy and order status functions are not yet being used

23   at all by any resellers. The ASR provisioning interface for

24   unbundled services offers only order confirmation, and that

25   is being used.

1   We are still looking in Illinois for some more

2   experience on ordering and provisioning of unbundled

3   switching and network platforms in particular. There was

4   discussion yesterday about Ameritech working with AT&T to

5   try to get a trial underway, but at this point they really

6   have not reached agreement on how you order, let alone

7   provision these functions, so we are following that trial

8   with great interest.

9   We have taken the position that Ameritech should

10   work with the new entrants as much as possible to try to

11   help them get their side of the interfaces up and running,

12   to work out any ambiguities that may exist in the

13   specification manuals and things like that. Presumably they

14   are good faith.

15   Reasonable people can interpret spec manuals very

16   differently, and a good bit of work between the companies is

17   needed. I think a good bit is actually happening in that

18   regard.

19   The information that came in in the recent

20   hearings has shown significant improvement in the percentage

21   of orders that are able to be processed electronically

22   without manual intervention. That was very good to hear.

23   I am running out of time. Let me just mention the

24   stability of OSS specifications. There was some talk

25   yesterday about the need to manage the changes as systems

1   are upgraded in a way that does not keep new entrants from

2   having problems continuing to operate.

3   We talked yesterday about the need to make sure

4   that OSS capacity can expand as needed. Certainly the

5   volumes that are going through to date do not really give us

6   great confirmation that they will be able to handle the

7   volume of orders that we are hoping will materialize in the

8   near future.

9   The parity of access to OSS functions again is an

10   item that needs to be looked at carefully. The measurements

11   that are reported need to be looked at carefully to make

12   sure that they actually are parity, if that is the intent of

13   the measurement.

14   Thank you.

15   MR. WELCH: Thank you, Charlotte.

16   Next we will hear from John Lenahan from

17   Ameritech.

18   MR. LENAHAN: Thank you, Richard.

19   Continuing with the baseball analogy, I feel like

20   this is a double header for me. With respect to Charlotte's

21   comments, I agree that it is nowhere near the end of the

22   season, but I think we are well beyond the first game in

23   terms of the implementation of OSS.

24   I would like to address basically the three

25   questions that the FCC laid out: What functionality is

1   needed to permit successful ordering and provisioning, what

2   level is flowthrough all about, and then what performance

3   measures are needed to determine whether or not you have

4   parity.

5   In terms of functionality, I think at the most

6   basic level, the system needs to be designed and signed so

7   that it can accept a projected mix of orders, resale and

8   unbundled network elements, and then within the orders how

9   many are assume as is, how many are assume as specified, how

10   many are brand new, how many are disconnect and those kinds

11   of things.

12   We have in sizing our interface gone through and

13   tried to project what is a logical mix of orders and what is

14   the relationship between services that are provisions using

15   network elements and what is the mix of resale. That is all

16   important to, from the point of view I like, being capable

17   of providing OSS functionality to order.

18   In terms of the functionality for provisioning, I

19   think Charlotte mentioned all of them, and I will not repeat

20   them. We agree essentially. In the EDI world, there is an

21   order acknowledge, then there is an order commitment if

22   there is a change in status, and then there is an order

23   completion. Our EDI interface provides all of them.

24   I think the most contentious issue, though, is

25   flowthrough. Following up on what Stuart said a little bit,

1   when you talk about flowthrough you need to distinguish

2   between flowthrough for the EDI interface and flowthrough in

3   the OSS Legacy systems.

4   The EDI interface is simply a prearranged way of

5   exchanging data in an agreed format, which facilitates the

6   receipt electronically of a third party's order and gets it

7   into another carrier's or our Legacy system's back end.

8   That is the interface flowthrough.

9   Once it gets into the Legacy system, at least in

10   Ameritech, and I assume most other Bell companies, the

11   Legacy systems were designed in a time where the identity of

12   the carrier was irrelevant, and so once it is in the Legacy

13   system the flowthrough through the Legacy system is

14   identical to between the wholesale and the retail orders

15   that go through.

16   I think the focus should be on what is the

17   interface flowthrough because that is the only thing that is

18   different in the new world. The interface flowthrough

19   within Ameritech is from January to May we have processed,

20   and this is EDI resale, about 20,000 orders. Of those, nine

21   percent approximately have been electronically rejected.

22   Ninety-one percent have been processed we would say as

23   planned. Of those, about just a little better than 50

24   percent were processed electronically without any manual

25   intervention, and the other percentage required some manual

1   intervention.

2   Now, manual intervention to a large extent I

3   believe is becoming the major red herring of this debate

4   because manual intervention is caused essentially by one of

5   two things; either the order as received is incomplete, or

6   it is complex.

7   In the first case, the ILEC has a decision. Do I

8   reject the order because no one wants an incomplete order or

9   incorrect order flowing through the system because it

10   ultimately will cause problems and affect the customer

11   satisfaction. The decision is if it is a minor edit, change

12   it as opposed to rejecting the order.

13   Many of our manual interventions are simply

14   putting a period in or the street address was W-E-S-T on the

15   order, and on the service record it is W period. We change

16   those types of things.

17   The other reason for manual intervention is the

18   order is complex. We have not mechanized that in our back

19   end systems -- Centrex orders, orders that require

20   facilities, orders that have the Remarks field filled in.

21   By definition, the design is that some person needs to take

22   a look at it and see what does that say and why was the

23   Remarks field filled in.

24   Last, the EDI reject is similar. There are

25   basically two reasons for a reject; either the EDI syntax is

1   wrong, i.e., the format was not followed and so the back end

2   cannot accept it because it does not understand what this

3   order is all about, or the order has an incorrect USOC or

4   some other information that is incorrect, and the system

5   cannot process it.

6   Last, and I know my time is up, in terms of

7   performance, I think performance reporting is integral to

8   any of these interfaces, and the performance reports that

9   are relevant to ordering are the Fox, the 865s, the order

10 completions, and probably most relevant is do the orders get

11 installed on time.

12   MR. WELCH: Thank you, John.

13   Elizabeth Ham from Southwestern Bell.

14   MS. HAM: Thank you, Richard.

15   I guess to follow also the baseball analogy -- I

16 do not want to be the one that is left out -- I certainly

17 hope that Southwestern Bell has hit a grand slam with the

18 operational support systems that were are offering. We

19 think we have, and we hope those that signed up to use them

20 will agree.

21   We believe that we have provided a meaningful

22 opportunity for the CLECs to compete by providing the

23 multiple interfaces that we are offering. We also offer a

24 90 day free trial to test the interfaces, a 90 day free

25 trial in a live mode to train the service reps with the CLEC

1   to use the systems.

2   We also have support organizations that are

3   specifically designed to help the CLECs. We have an OSS

4   help desk that is manned 24 hours, seven days a week, to

5   help with any interface problems that the CLEC has. We also

6   have the local service provider service center, which is our

7   pre-order and ordering manual center, and we have the local

8   service provider center, which is our provisioning and

9   repair and maintenance group.

10   We have delivered on our promise to provide

11   nondiscriminatory access to all CLECs. We have 23 signed

12   agreements with CLECs to use our OSSs. Eight of them have

13   committed to implementation, and seven of them are using our

14   proprietary interface.

15   Yesterday one of the panelists indicated that one

16   size does not fit all. We agree 100 percent. We provide

17   both proprietary interfaces that have been developed by

18   Southwestern Bell so that CLECs may use them immediately,

19   and we also provide an application to application interface

20   based on the available industry guidelines so a CLEC can in

21   fact build their own custom user software.

22   We have available EASE, which is our Easy Access

23   Sales Environment. It is exactly the same system that our

24   retail centers use. We provide an EDI Gateway. We also

25   provide a new system called LEX, which is LSR Exchange

1   System. All of these, we believe, meet the FCC's

2   requirements for equivalent access.

3   EASE, as I said, is used by our retail operation.

4   We have over 5,000 consumer residential service reps that

5   use it every single day. Business EASE is our proprietary

6   business interface system. We have over 1,200 service reps

7   using that.

8   The CLECs who are using EASE have exactly the same

9   access to pre-ordering and ordering capabilities that our

10   retail operation has. We will support in the business EASE

11   environment up to 30 business lines and in the residential

12   environmental up to five residential lines in one order.

13   EASE also presents the information in both English and in

14   USOC, so they are both there. The translation is done for

15   the service representative.

16   In addition, with the EASE application there is no

17   need for a CLEC to re-enter into their system, into their

18   customer care system, the billing and customer information.

19   We will provide daily a tape of all the pending and

20   completed service order activity to each CLEC so they can

21   feed that into their system, and they do not have to do dual

22   entry.

23   LEX is a new system that we developed. It is

24   Windows based. It is a GUI that provides the OBF/LSR

25   standards, and it is used by CLECs that either do not have

1   the IS capability or they are not interested in providing or

2   doing the work for an EDI Gateway.

3   The CLECs can submit both resale and UNE orders

4   into LEX. The LEX GUI uses the LSR standard formats. The

5   use of the LSR standard formats then provides the same

6   standards that are developed for all ILECs to be used with

7   the mechanized system into the Southwestern Bell interfaces.

8   LEX will be available for testing. We have two

9   CLECs who will test it in June, and it will be updated as

10   any OBF standards have been issued and finalized.

11   Of course, EDI is the application to application

12   interface based on the OBF standards. It provides both

13   capabilities for resale and UNE. I believe that EDI is an

14   example of the work that Southwestern Bell is doing in

15   advance of industry standards, just as the ATIS committee

16   recommended yesterday.

17   EDI does meet all of our negotiated agreements.

18   It provides functionality in advance of finalized standards,

19   and we are conforming to the guidelines to merge all of the

20   EDI standards that have been provided by OBF. We started

21   testing ED with a large CLEC, and we hope to have good

22   results on the transactions that are being provided by the

23   CLEC over the Gateway.

24   We also support the submission of manual orders.

25   We will also submit the submission of manual orders into our

1   LSP service center who do not want for whatever reason to

2   utilize an electronic interface.

3   For order status, we provide a GUI located on our

4   tool bar that provides real time access to pending and

5   posted service orders for individual CLECs.

6   I have ten seconds. I better hurry up.

7   We do not believe that any kind of particular

8   level of flowthrough is required to meet the requirement for

9   nondiscriminatory access. The test is really whether, as

10   has been mentioned, the CLEC can order the service that is

11   provisioned at parity with the ILEC.

12   Our consumer EASE product permits a 99 percent

13   flowthrough of all service orders that are entered by our

14   residential or consumer retail operations. We would expect

15   the same flowthrough from a trained CLEC service rep.

16   In addition, on our EDI flowthrough we support

17   residential and basic business resale, conversion with

18   change, conversion as is, a disconnect, suspend, restore and

19   semi-public. We will have enhancements to EDI available in

20   June for a new connect, a change order and a records order.

21   We have, and I guess I will talk a little bit

22   about performance measurements. We have negotiated

23   measurements for installation, repair, ordering and

24   provisioning. We also have liquidated damages.

25   Southwestern Bell will provide any parity measurement that